



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

October 27, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AGREEMENT FOR PATIENT SAFETY NET SERVICES
WITH THE UNIVERSITY HEALTHSYSTEM CONSORTIUM**
(All Districts) (3 Votes)

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATIONS
☐ DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Health Services, or his designee, to sign an Agreement, substantially similar to Exhibit I, with the University HealthSystem Consortium to use a web-based incident reporting system, "Patient Safety Net", for a maximum obligation of \$346,000, net County cost, effective January 1, 2006 through December 31, 2008.
2. ~~Delegate authority to the Director of Health Services, or his designee, to add or delete Locations as necessary, at no additional cost, and upon agreement by University HealthSystem.~~

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is approving and authorizing the Director of Health Services, or his designee, to sign an Agreement with University HealthSystem Consortium (UHC) for a secure web-based reporting system, "Patient Safety Net" (PSN), to register and document adverse incidents, "near misses", and unsafe conditions that involve patients and visitors.

Department of Health Services (DHS or Department) facilities, including LAC+USC Healthcare Network, Olive View/UCLA, Martin Luther King, Jr./Drew, and Harbor/UCLA Medical Centers, Rancho Los Amigos National Rehabilitation Center, High Desert Health Systems the

Comprehensive Health Centers and Health Centers, and Public Health Programs will enter data into the PSN. UHC then adds that data to the database of participating UHC institutions and permits the use of that data to generate analyses, reports, and comparisons to other UHC members. Use of the PSN will make the occurrence of adverse events and unsafe conditions immediately known to DHS leadership for review, follow-up, and appropriate corrective action.

FISCAL IMPACT/FINANCING:

The estimated cost for Fiscal Year (FY) 2005-06 is \$142,000, and the maximum obligation effective January 1, 2006 through December 31, 2008 is \$346,000, which includes \$40,000 for optional specialized training and programming. The Agreement contains a fixed price guarantee through the term.

Funding is included in the FY 2005-06 Final Budget, and will be included in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On November 18, 1997, your Board authorized DHS to become a member of the UHC, a not-for-profit member alliance of academic health centers, and its group purchasing organization, Novation. DHS currently uses UHC's performance measurement system for benchmarking, and makes purchases using Novation.

The Agreement will enable DHS facilities to demonstrate compliance with the 2004 Joint Commission on Accreditation of Healthcare Organizations' National Patient Safety Goals, collect patient and visitor related event and "near miss" reports, and provide a system to track managers' reviews and investigations. In addition, the use of the PSN will address several recommendations and issues identified in Navigant Consulting's February 2005 report including the availability of automated reports and aggregated data to identify improvement opportunities.

In addition to the \$346,000 maximum obligation for the UHC PSN incident reporting system, at a future date, there will be an approximate \$75,000 cost to County to access a system enhancement option in the County's existing contract with Risk Technology, Incorporated enabling the download of the new PSN event information into the existing RMIS system. At this future date, DHS will provide information and system modification funding to download event information into the existing Chief Administrative Office's Risk Management Information System (RMIS).

Once the PSN system is fully implemented in 2006, the County will not require data entry services currently provided by Octagon Risk Services, Inc., at an estimated annual cost savings of \$124,572.

CONTRACTING PROCESS:

This contract was determined to be sole source because UHC is the only provider with access to the County's benchmarking data, has the ability to link events to benchmarking, and has an outstanding performance record with the County. In addition, PSN is an application service provider model which will save DHS programming modification, data base management and support costs.

A sole source letter is on file with the Department.

The Honorable Board of Supervisors
October 27, 2005
Page 3

County Counsel has approved the Agreement (Exhibit I) as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The system will streamline current DHS practices to collect and manage data regarding patient safety risk factors.

Upon approval, the Executive Officer, Board of Supervisors is requested to return three adopted copies of this letter to DHS.

Respectfully submitted,



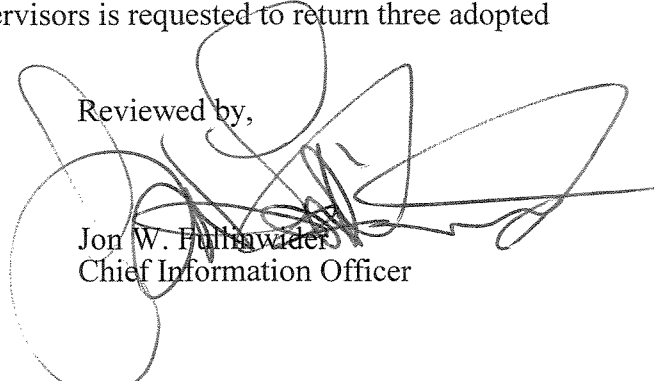
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ls

Attachments (3)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Chief Information Officer
Information Systems Committee

Reviewed by,



Jon W. Fullinwider
Chief Information Officer

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

With the Agreement, the Department will secure a web-based reporting system, Patient Safety Net, to register and document adverse incidents, "near misses", and unsafe conditions that involve patients and visitors.

2. **AGENCY ADDRESS AND CONTACT PERSON:**

University HealthSystem Consortium
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523-1890
Contact Person: Barbara Youngberg, Vice President,
Insurance, Risk, Quality & Legal Services
Phone: (630) 954-1760
Facsimile (FAX): (630) 954-5879

3. **TERM OF AGREEMENT:**

Effective January 1, 2006 through December 31, 2008.

4. **FINANCIAL INFORMATION:**

The estimated cost for Fiscal Year (FY) 2005-06 is \$142,000, and the maximum obligation effective January 1, 2006 through December 31, 2008 is \$346,000, which includes \$40,000 for optional specialized training and programming. The Agreement contains a fixed price guarantee through the term.

Funding is included in the FY 2005-06 Final Budget, and will be included in future fiscal years.

5. **GEOGRAPHICAL AREA TO BE SERVED:**

All Districts.

6. **ACCOUNTABILITY FOR PROGRAM MONITORING AND EVALUATION:**

Laura Sarff, Director, Quality Improvement Program

7. **APPROVALS:**

Quality Improvement Program:	Laura Sarff, Director
Chief Operating Officer:	Fred Leaf
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Elizabeth J. Friedman, Senior Deputy

CIO ANALYSIS

AGREEMENT WITH UNIVERSITY HEALTHSYSTEM CONSORTIUM FOR PATIENT SAFETY NET SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☒ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 3 Yrs # of Option Yrs

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Laura Sarff, Director

Budget Information :

Y-T-D Contract Expenditures	\$ 346,000
Requested Contract Amount	\$
Aggregate Contract Amount	\$ 346,000

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved? Public Health

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)?

Project/Contract Description:

The Department of Health Services (DHS) is requesting that your Board delegate authority to the Director and Chief Medical Officer of Health Services, or his designee, to sign an Agreement with the University HealthSystem Consortium (UHC) for a secure web-based event reporting system, called Patient Safety Net (PSN), used to capture and document adverse inpatient and outpatient incidents, near misses, and unsafe conditions at DHS facilities involving patients and visitors. The PSN will not be used to document employee safety issues. The Agreement term is for three years beginning in January 1, 2006 and has a maximum contract sum of \$346,000.

Background:

DHS is a member of UHC, which is a not-for-profit alliance of academic health centers. UHC developed the PSN, a hosted, secure, web-base reporting tool using a standardized taxonomy, to assist members in capturing and documenting patient and visitor safety issues. DHS is requesting your Board's authorization to sign an Agreement with UHC to access and utilize the PSN system. PSN will provide DHS with automatic notifications of specific event types and access and input to event reports. Also, PSN enables DHS to compare their data with aggregated summaries from other participating organizations for benchmarking and identifying areas of concern. PSN utilizes secure transfer protocols and complete transaction auditing to ensure the security of data.

In addition, UHC will provide DHS with an electronic copy of their database file on a monthly basis to facilitate further department analysis. DHS will also use this data to prepare an interface file to update the County's Risk Management Information System (RMIS).

Project Justification/Benefits:

PSN supports the identification and management of patient, visitor, and staff safety issues. It enables DHS to demonstrate compliance with the Joint Commission on Accreditation of Healthcare Organization (JCAHO) System's requirements and to address Navigant Consulting's February 2005 report findings and recommendations.

Project Metrics

Success will be measured by the installation and operation of the PSN.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved

DHS will be constrained in meeting JCAHO requirements and Navigant Consulting's recommendations.

Alternatives Considered:

No other alternatives were considered.

Project Risks:

The project risks are minimal; the PSN is a hosted application that has been in use since 2002.

Risk Mitigation Measures:

None

Financial Analysis:

The Agreement has a maximum County obligation of \$346,000. In addition, DHS will fund \$75,000 for RMIS system modifications to enable PSN event information to be populated into the system.

CIO Concerns:

None

CIO Recommendations:

Recommend Board approval.

CIO APPROVAL

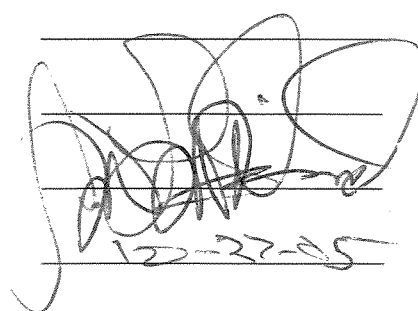
Date Received: _____

Prepared by: _____

Date: _____

Approved: _____

Date: _____

A handwritten signature in black ink is written over a horizontal line. Below the signature, the date "12-27-05" is handwritten in black ink over another horizontal line.

University HealthSystem Consortium

Patient Safety Net Participant Enrollment and License Agreement

This Participant Enrollment and License Agreement and all attached exhibits ("**Agreement**") is made by and between the University HealthSystem Consortium, a not-for-profit Illinois corporation, ("**UHC**" or "**Contractor**"), and The County of Los Angeles, ("**Participant**"). UHC and Participant are sometimes in this Agreement collectively referred to as the "**Parties**."

RECITALS

A. UHC is a member-driven alliance of academic medical centers which offers various products and services to its members, including the Patient Safety Net ("**PSN**").

B. PSN is a data aggregation tool used by PSN participants for data analyses that relate to their "Healthcare Operations", as that term is defined by the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("**HIPAA**"), including quality improvement, peer review activities, and clinical and operational improvement ("**Healthcare Operations**").

C. PSN is an aggregation or compilation of incidents, near miss and loss data, including but not limited to patient-level data and Protected Health Information (as that term is defined in HIPAA), provided by participants to UHC ("**Participant Data**"). UHC collects and aggregates the Participant Data, creating aggregated data known as "**UHC Data**", generates analyses and reports for PSN participants, and provides web access to PSN and stub software for installation, which allows the Participant to manipulate the UHC Data to generate reports and to compare statistics provided by all participants.

D. Participant, through its Department of Health Services, operates medical center Locations which wish to enroll as a participant in PSN ("**Enrolled Services**") to assist in Participant's Healthcare Operations.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. License

1.1 **Recitals.** The Recitals are hereby incorporated in their entirety in this Agreement.

1.2 **Participant Grant of Right to Use Data.** Participant hereby grants UHC the right to use Participant Data and create Derivative Works for the purposes specified in the Recitals above, subject in all events to the terms and conditions in this Agreement. "**Derivative Works**" shall mean deliverables created by UHC from Participant Data and used by

PSN participants for data analyses that relate to their quality improvement activities and Healthcare Operations. As a condition of the grant of such right of use, in no event shall Derivative Works set forth Participant's Participant Data so that it is identifiable to any person, except authorized Participant personnel, as that of Participant, its personnel or patients.

1.3 UHC License Grant. UHC hereby grants Participant a royalty-free, exclusive license to access PSN and the services offered through the PSN, including but not limited to: 1) access to the website and/or storage media; 2) user manuals; and 3) benchmark measures and comparative data analyses (collectively, "PSN Services"), subject to the terms and conditions of this Agreement.

Section 2. Program Responsibilities

2.1 Participant Responsibility. Participant will complete the PSN survey tool for incidents, near misses, and losses and forward its Participant Data on the same to UHC pursuant to UHC's and Participant's data submission standards, processes, schedules, data security and internet security policies, provided that in no event shall the Parties be required to violate any federal, state, or local law to do so.

2.2 UHC Responsibilities. UHC will aggregate all Participant Data, apply any required risk and cost adjustment modifiers, and the Derivative Works available to all PSN participants pursuant to UHC's standards, processes, schedules, data security and internet security policies, the requirements of HIPAA and this Agreement and other applicable confidentiality laws. Without limiting or negating any of the foregoing, UHC hereby provides to Participant assurance of anonymity and confidentiality of the Participant institution, staff and patients, with identities known only to authorized personnel of Participant, assurances of standards for data management in order to ensure data integrity and security, and assurances that presentations and publications of Derivative Works will not identify findings with specific institutions directly or through inference.

Section 3. License Restrictions

Participant agrees that it may not:

- (i) reverse engineer, decompile or disassemble the software provided to Participant as part of the PSN program(s);
- (ii) remove any trademark, copyright or other proprietary notice on any portion or the whole of the PSN or any Derivative Works (as defined in Section 1.1), including, without limitation, copies of the data provided to Participant;
- (iii) modify or copy any part of the program software in any digital or electronic form;

- (iv) permit access to the software or data contained therein other than through terminals located on Participant's business premises; or
- (v) permit any rental, lease, assignment or transfer of the PSN or use of the PSN in connection with any time sharing or similar arrangement.

Section 4. Term and Termination of License

The term of this Agreement is three (3) calendar years beginning January 1, 2006 through December 31, 2008, unless earlier terminated in accordance with the terms of this Agreement.

Participant has the right to terminate this Agreement, for any reason, with thirty (30) days written notice to UHC. Additionally, Participant shall have the right to terminate this Agreement, effective immediately, if any confidentiality provisions under this Agreement, or any governing confidentiality law are breached or violated by UHC, and Participant may seek whatever relief it deems appropriate. Upon such termination date, Participant will be denied further access to PSN or PSN Services. Upon any termination, expiration, non-renewal or rescission of this Agreement, UHC (a) shall return or destroy Participant's Data, to the extent feasible, at Participant's direction and in accordance with HIPAA and its implementing regulations and any other governing confidentiality law or regulation and (b) except upon natural expiration of the term, shall promptly refund to Participant, the pro rata share of the annual license fee paid for the remainder of the then-current term of this Agreement.

Section 5. Annual License Fees

Participant agrees to pay the annual license fee for PSN within sixty (60) days of receipt of invoice. The current annual license fee information for PSN is attached hereto and incorporated herein as Exhibit I. For the first contract year only, upon execution of the Agreement UHC may invoice Participant for 60 percent of the pro-rated annual total license fee. When Participant is able to access PSN without interruption at any one of the five Locations subject to this Agreement, UHC may invoice Participant for 8 percent of the pro-rated annual total license fee until all five Locations are able to access PSN and the entire pro-rated annual license fee has been invoiced. For subsequent years, UHC will deliver an invoice to Participant in January, which will be due and payable if Participant determines to continue PSN Services. In the event an annual license fee is unpaid by its due date and no notice of termination has been made to UHC, Participant's access to PSN and PSN Services may be suspended until payment is made. No refunds will be made for the time participation was suspended.

Section 6. Ownership of Data and Services

6.1 Ownership Rights. UHC retains all ownership and intellectual property rights to the aggregated Participant Data, to all Derivative Works and to all PSN Services ("**UHC Data**"), subject only to the license and limited right of use expressly granted to Participant herein. The Participant shall retain ownership of all its own institutional Participant Data.

6.2 Intellectual Property Rights Warranty. UHC represents and warrants that it owns the rights to the PSN software and PSN Services and any user documentation, including without limitation all of the rights in the same granted under this Agreement, and that such are free of any rightful claim of any third party for infringement of any United States patent, copyright, trade secret or other intellectual property right. If PSN or PSN Services, in whole or in part, is held to constitute such infringement and the use of any of it is enjoined, then, in addition to its indemnification obligations hereunder, UHC shall promptly, at its cost, (a) procure for Participant and its affiliates the right to continue using the same or (b) replace the enjoined services or components with non-infringing services or components of at least equivalent functionality or (c) modify PSN or the PSN Services so that it becomes non-infringing and/or (d) discontinue the affected PSN Services and refund to Participant the pro rata share of any fees paid in advance under this Agreement.

Section 7. Confidentiality and Nondisclosure

7.1 Confidential Information. By virtue of this Agreement, the Parties acknowledge they will have access to confidential, trade secret and proprietary information, including but not limited to patient health information, PHI, the PSN software, network tools, CDB Data, Derivative Works and PSN Services (collectively, “**Confidential Information**”). Each of the Parties agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its respective employees or agents in violation of the terms of this Agreement.

7.2 Internal Use Only. The Parties agree that neither shall make any attempt, nor permit any other person or entity, to identify any specific physician or patient (other than Participant’s own physicians or patients as permitted by law and Participant’s policies), as a result of manipulation or use of UHC Data or Confidential Information. With respect to any Confidential Information that is wholly or partially identifiable, the Parties and any properly authorized user shall use such information “for internal use only” and shall not use any UHC Data or Confidential Information in any form outside UHC or Participant’s institution, unless it meets all requirements in this Agreement and is masked, blinded or otherwise protected to preclude the identification of all institutions and patients.

7.3 Express Condition of License. UHC and Participant acknowledges and understands that their use of PSN and of Participant’s Data is subject to the express condition that UHC and Participant protect and secure the confidentiality of Participant Data, UHC Data, Derivative Works and Confidential Information, not disclose such protected information, and that UHC and Participant shall use such protected information solely in accordance with the restrictions set forth in this Agreement.

7.4 Contractor’s Obligation as a Business Associate under the Health Insurance Portability and Accountability Act of 1996

Under this Agreement, Contractor UHC (“Business Associate”) provides services (“Services”) to County (“Covered Entity”) and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and

Accountability Act of 1996 (“HIPAA”), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information (“Privacy Regulations”) and the Health Insurance Reform: Security Standards (“the Security Regulations”) at 45 Code of Federal Regulations Parts 160 and 164 (“together, the “Privacy and Security Regulations”).

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

7.4.1.1 “Disclose” and “Disclosure” mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate’s internal operations or to other than its employees.

7.4.1.2 “Electronic Media” has the same meaning as the term “electronic media” in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

The term “Electronic Media” draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

7.4.1.3 “Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

7.4.1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

7.4.1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information

includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

7.4.1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

7.4.1.7 "Services" has the same meaning as in the body of this Agreement.

7.4.1.8 "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations.

7.4.1.9 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

7.4.2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

(c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(i) Use Protected Health Information; and

(ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

7.4.2.2 Adequate Safeguards for Protected Health Information. Business Associate:

(a) Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

(b) Effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

7.4.2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

7.4.2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

7.4.2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate

shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

7.4.2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a “designated record set” as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

7.4.2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a “designated record set” as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

7.4.2.8 Accounting of Disclosures. Upon Covered Entity’s request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

7.4.3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate’s performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

7.4.4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

7.4.4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

7.4.4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

7.4.5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

7.4.5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Paragraph.

7.4.5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

7.4.5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

7.4.5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

7.4.5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

7.5 Third-Party Disclosure. As part of this License to Participant, Participant may disclose the UHC Data on a need-to-know basis with certain third-party financial, legal and operational advisors, including consultants, provided that such third-parties have executed an agreement that requires them to abide by all the terms and conditions of this Agreement, including but not limited to the confidentiality provisions. In the event Participant or UHC is required by law, regulation, or order of any governmental authority to disclose Confidential Information, that party will first notify the other as soon as possible following demand and prior to disclosure and cooperate in any response to such required disclosure, including seeking a protective order or in-camera inspection.

Section 8. Access to UHC's Records.

To the extent that 42 U.S.C. 1395x(v)(1)(I) is applicable, any regulations implementing such Section or any successor statutory provision or regulations (collectively called the "Provisions"), until the expiration of seven (7) years after the furnishing of any service pursuant to this Agreement, UHC will make available at UHC's cost, upon written request of the Secretary of the Department of Health and Human Services or their duly authorized representative, copies of the Agreement and any records of UHC that are necessary to certify the nature and extent of costs incurred by Participant for such services. If UHC carries out any of its duties under this Section through a subcontract with a related organization involving a value or cost of \$10,000 or more over a twelve (12) month period, UHC will get such subcontract approved by County and will cause such subcontract to contain a clause to the effect that, until the expiration of seven (7) years after the furnishing of any service pursuant to said contract, the related organization will make available, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States, or any of their duly authorized

representatives, copies of records of said related organization that are necessary to certify the nature and extent of cost incurred for such service.

Section 9. Publication Rights.

Use of UHC Data within Participant's own institution for internal purposes outlined in Section 7.2 will not constitute publication, as referred to in this Section 9. Participant may publish a review, conduct and publish research, or do written analyses (collectively called a "**Manuscript**") based upon the UHC Data, subject to the following restrictions:

- No individual patient, institution or group of institutions may be identified or identifiable in, or based upon, the Manuscript, including any footnotes, endnotes, graphs or charts;
- No individual patient, institution or group of institution's Participant Data or UHC Data may be linked to that institution or group of institutions in, or based upon, the Manuscript;
- Participant may not compare its UHC Data or performance to any other identifiable institution or identifiable group of institutions;
- Participant shall report the UHC Data in aggregate by combining the UHC Data of at least five (5) institutions and report that data in a manner that cannot lead to the identification of the particular data or data source; and
- Any Manuscript that contains UHC Data, relies on such data, or contains an analysis based upon data **must first be approved for publication** by the UHC Manager of Patient Safety, and **must** contain the following statement:

"The information contained in this article was based in part on the Patient Safety Net Data Base maintained by the University HealthSystem Consortium (UHC)."

UHC represents and warrants to Participant that it will require at least the same limitations on use of UHC Data from other PSN participants, the intent being the preservation of the confidentiality and integrity of Participant Data.

Section 10. Disclaimer and Limitation of Liability.

- 10.1 General Disclaimer.** The programs, products, services and data provided by UHC under this agreement are provided "as is". UHC will rely upon information provided to UHC by participant, and makes no warranties with regard to the accuracy of the information provided by participant and will make no independent evaluation to assure the accuracy of the information provided. UHC makes and participant receives no warranty, express or implied, as to the validity of any data provided by participant hereunder or its appropriateness for use in any manner. There are expressly excluded from this agreement all warranties of

merchantability, fitness for a particular purpose, and any warranties arising by law, statute, usage of trade, or course of dealing. Participant acknowledges that the programs, products, services, and data provided hereunder are not a substitute for participant's independent professional judgment and that the risk as to the use of the products and services provided hereunder, is assumed by participant.

- 10.2 Limitation of Liability.** Except as to indemnification obligations under this agreement, neither party shall be liable for any punitive, special, indirect, incidental, or consequential damages, including lost profits, even if it has been advised of the possibility thereof. In any event, but except as to indemnification obligations under this agreement, the parties' liability to each other shall be limited to the amounts actually paid by participant to UHC during the term in which the damage alleged occurred.

Section 11. Indemnifications/Insurance

11.1 Indemnification by Public Entities. If Participant is a public or governmental entity whose applicable governing law would prohibit it from agreeing to all or portions of this Section 11, such Sections or parties thereof will not be considered part of this Agreement and will not apply to Participant.

11.2 Mutual Indemnification Provision. The Parties hereby agree to defend, indemnify and hold the other's affiliates, officers, directors, agents, and employees harmless from all third party claims, actions, proceedings and investigations, and all losses, damages, expenses, and demands (including, without limitation, court costs, reasonable attorneys' fees), interest expenses and awards ("Losses"), caused by or arising from each party's own negligence or breach of this Agreement, including without limitation, any claims or Losses related to failure to observe any applicable law, regulation, or ordinance. The indemnifying party shall be given reasonably prompt notice of such claim, and given information, reasonable assistance (except financial), and sole authority to defend or settle the claim.

11.3 Intellectual Property Indemnification. UHC will indemnify, defend and hold harmless Participant, its affiliates and their respective trustees, officers, employees and agents from any and all losses, claims, proceedings, liabilities, judgment, awards and costs (including, without limitation, reasonable attorneys' fees and costs) arising out of or related to any claim that Participant's access to or use of PSN or any PSN Services or the license granted hereunder infringes or violates the patent, copyright, trade secret or other proprietary right of any third party. UHC shall defend with counsel reasonably acceptable to Participant and settle at its cost all suits or proceedings related to the foregoing, provided that no settlement that prevents Participant from using PSN or PSN Services will be made without Participant's express written consent. In all events, Participant and its affiliates shall have the right, at their own cost, to participate in the defense of any such suit or proceeding through counsel of their own choosing.

11.4 Disputes. The Parties hereby agree to mediate any disputes that arise in connection with this Agreement. If no resolution is reached within sixty (60) days after the first meeting of the Parties with the mediator(s), then either party may take the dispute to any

applicable court venued in Los Angeles County. **The provisions of this Section 11 shall not apply to any claim for injunctive relief.**

11.5 General Insurance Requirements. Without limiting each Party's indemnification of the other and during the term of this Agreement, each Party shall provide and maintain the programs of insurance specified in this Agreement. Each Party's insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the other, and such coverage shall be provided and maintained at each Party's own expense. The Participant, at its sole option, may elect to satisfy these requirements through a program of commercial insurance or self-insurance coverage, or any combination thereof. Commercial insurance is to be provided by an insurance company with an A.M. Best rating of not less than A: VII, unless otherwise agreed to by the Parties.

Evidence of Insurance. Each Party shall provide the other a Certificate of Insurance, or of Self-Insurance, upon execution of this Agreement. Such Certificate shall clearly evidence all coverages and limits required in this Agreement, provide the express condition that each Party be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance, and have attached a copy of the additional insured endorsement to the commercial general liability policy, to verify the other Party has been added as an insured for all activities arising from this agreement.

Failure to Maintain Coverage. In the event of failure by UHC to maintain the required insurance, or to provide evidence of insurance coverage to Participant, Participant shall have the right to terminate or suspend this Agreement, effective immediately.

Insurance Coverage Requirements.

- A. General Liability** Insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

- B. Professional Liability** Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$ 1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

Section 12. Miscellaneous

12.1 Survival. The provisions of Sections 2, 3, 5 through 12 and 14 shall survive termination or expiration of this Agreement.

12.2 Entire Agreement; Amendment. This Agreement constitutes the entire understanding between the Parties as to the subject matter hereof, supersedes all prior agreements and negotiations thereto, and may be amended only by written amendment executed by both Parties. Any term in any document, other than a valid amendment, that is inconsistent with those contained in this Agreement are not valid and will not be binding on the Parties. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties.

12.3 Captions; Severability. Headings are provided for ease of reference only and shall not be used to construe any provision of this Agreement. If any portion of this Agreement is found to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of the remainder of this Agreement, and the Parties will substitute for any such invalid or unenforceable provision a valid provision that best approximates the effect and intent of the invalid or unenforceable provision.

12.4 Waiver. The Parties agree that the waiver by either party of a breach by the other party of a provision of this Agreement shall not operate as or be construed to be a waiver of any other breach or default and, further, that any waiver to be effective must be in writing signed by the party making the waiver.

12.5 Counterparts. Provided that all Parties execute a copy of this Agreement, this Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by facsimile. This Agreement shall be deemed to be fully executed and entered into on the date of execution by the last signatory.

12.6 Independent Contractor. It is understood that in the performance of this Agreement, the Parties are acting solely as independent contractors and not as employees, agents, partners or joint venturers of the other.

12.7 Use of Name. The parties agree that they will not use the name, symbols, trademarks, service marks or logos of the other party or any affiliate of the other party in any advertisement, promotion, brochure, solicitation or similar document or for any marketing, public relations, advertising, display or other business purpose, or any statement to the public without the express, prior, written consent of such party, which may be given, conditioned or withheld in such party's sole discretion.

Section 13. Notices.

All notices and other communications pertaining to this Agreement shall be in writing and personally delivered to the other party, sent by facsimile with confirmation of delivery, or sent by the U.S. Postal Service, postage prepaid certified mail, return receipt requested, or by a nationally recognized overnight courier. Delivery shall be deemed to have occurred immediately upon personal delivery, as of the date set forth in the facsimile confirmation or the return receipt

or, if delivery is refused, as of the date of attempted delivery. All notices or communications between Participant and UHC pertaining to this Agreement shall be addressed as follows:

If to UHC:

Barbara Youngberg, Vice President
Insurance, Risk, Quality & Legal Services
University HealthSystem Consortium
2001 Spring Road, Ste. 700
Oak Brook, IL 60523

With a copy to:

General Counsel
University HealthSystem Consortium
2001 Spring Road, Ste. 700
Oak Brook, IL 60523

If to Participant:

LA County Department of Health Services Administration
Director, Quality, Improvement Program
313 North Figueroa Street, Room 703
Los Angeles, California 90012

With a copy to:

LA County Department of Health Services Administration
Attention: Chief, Contracts and Grants Division
313 N. Figueroa Street, 6th floor
Los Angeles, California 90012

Either party may change its notification address by giving written notice to that effect to the other party in the manner provided above.

Section 14. Assignment. This Agreement may not be assigned, in whole or in part, by either UHC or Participant without the express, written consent of the other party, except that Participant may assign, without need for UHC's consent, this Agreement or rights or obligations hereunder to an affiliate.

Section 15. Compliance. UHC shall obtain and maintain, without interruption, all licenses and permits required by law to perform its obligations under this Agreement.

Section 16. Contractor Responsibility and Debarment

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the

performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed 3 years, and terminate any or all existing contracts the Contractor may have with the County.

C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to [subcontractors/subconsultants] of County Contractors.

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By signing below, Participant and UHC represent that the respective undersigned is its duly authorized representative, and Participant and UHC agree to be bound by the terms and conditions of this Agreement.

IT IS AGREED.

PARTICIPANT:

**COUNTY OF LOS ANGELES -
DEPARTMENT OF HEALTH
SERVICES**

**UNIVERSITY HEALTHSYSTEM
CONSORTIUM**

By : _____

By: _____

Name: Thomas L. Garthwaite, M.D.

Name: Barbara Youngberg

Title: Director and Chief Medical Officer

Title: Vice President, Insurance, Risk,
Quality & Legal Services

Date: _____

Date: _____

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

RF: Board letter patient safety net contract 10.26.05 500 pm

EXHIBIT I**Schedule of Annual License Fees, Specialized Programming Costs and Additional Training Costs through December 2008**

*Location	**Annual License Fee January - December
Coastal Network	\$36,000.00
Northeast Network	\$36,000.00
Southwest Network	\$10,000.00
Rancho Los Amigos National Rehabilitation Center	\$10,000.00
Valley Care Network	\$10,000.00
	TOTAL: \$102,000.00

* The Networks may include inpatient facilities and all outpatient services, comprehensive health centers, primary care health centers, a multi-service ambulatory health center and community clinics.

The final location for implementation will also include Emergency Medical Services, the Office of Managed Care, and thirteen (13) Public Health clinics.

**** First Contract Year 2006 Annual License fee to be paid as indicated in Section 5 of the Agreement.**

Annual License Fees are payable in part or in full through UHC Patronage Equity earned through participation in the UHC's Novation purchasing program. The subscription fee covers the Participant's access to UHC's PSN web server for submitting and reviewing reports, access to the raw data for performing organization-specific data analyses, and access to the full functionality of the web-based report writing tools. This fee shall also cover a maximum of seven (7) days on-site training by two UHC staff for train-the-trainer individual and group user sessions.

The maximum obligation effective January 1, 2006 through December 31, 2008 is \$346,000, which includes \$40,000 for optional specialized training and programming.

Location	Specialized Programming and Optional Additional Training Costs at rates set forth in the Statement of Work, Paragraph B. 6.
All Locations	\$40,000.00

*****LIST OF LOCATIONS BY NAME**

COASTAL NETWORK

Harbor/UCLA Medical Center and Outpatient Services
Long Beach Comprehensive Health Center
Bellflower Health Center
Wilmington Health Center

NORTHEAST NETWORK

LAC+USC Medical Center includes General Hospital and Women's & Children's Hospital
El Monte Comprehensive Health Center
H. Claude Hudson Comprehensive Health Center
Edward R. Roybal Comprehensive Health Center
La Puente Health Center

SOUTHWEST NETWORK

Martin Luther King, Jr./Drew Medical Center
Hubert H. Humphrey Comprehensive Health Center
Dollarhide Health Center

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

VALLEY CARE NETWORK

Olive View-UCLA Medical Center
Mid Valley Comprehensive Health Center
Glendale Valley Care Health Clinic
San Fernando Health Center

High Desert Health Systems includes:
High Desert Multi-service Ambulatory Care Center
Antelope Valley Health Center
South Valley Health Center
Lake Los Angeles Community Clinic
Littlerock Community Clinic
Mira Loma Detention Facility Infirmary
Antelope Valley Recovery Center
Warm Springs Rehabilitation Center
Acton Rehabilitation Center Infirmary

*****The final location designated for PSN implementation will include the following
Programs and Public Health Centers:**

PROGRAMS

Emergency Medical Services
Office of Managed Care

PUBLIC HEALTH CENTERS (13)

Burke Health Center
Central Health Center
Curtis R. Tucker Health Center
Glendale Health Center
Hollywood-Wilshire Health Center
Monrovia Health Center
North Hollywood Health Center
Pacoima Health Center
Pomona Health Center
Ruth Temple Health Center
South Health Center
Torrance Health Center
Whittier Health Center

RF:board letter patient safety net exhibit 1 10.26.05 105 pm

STATEMENT OF WORK

**UNIVERSITY HEALTHSYSTEMS CONSORTIUM
PATIENT SAFETY NET (PSN)**

This statement of work includes but is not limited to the following:

A. UHC WILL WORK WITH DHS TO PREPARE FOR INSTALLATION (GO LIVE) DATES:

1. Within thirty (30) calendar days of contract execution, University HealthSystem Consortium (UHC) and the Department of Health Services (DHS) will jointly develop an implementation schedule with an acceptable timeline for each Network/Program (NP), and will agree in writing to any modifications in the implementation schedule, including but not limited to the "Go Live" dates.
2. UHC will provide the same level of service, specified in the agreement, to full members (Harbor-UCLA Medical Center, LAC+USC Medical Center) and affiliates (Martin Luther King, Jr./Drew Medical Center, Olive View/UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center), and outpatient services and programs (Public Health Programs, Emergency Medical Services, High Desert Health System, and Office of Managed Care).
3. UHC will communicate with each of the PSN Facility Coordinators and Facility Implementation Teams a minimum of thirty (30) calendar days prior to the scheduled "Go Live" date.
4. UHC will consult with each DHS facility/program prior to implementation to create an event numbering system that identifies the NP.
5. UHC will confer with each PSN Facility Coordinator and/or Facility System Administrator to develop the time frame for loading an icon on the facility intranet page and advance testing of intranet links, and passwords for system access for each location. In addition, UHC will test the facilities' connection to the PSN data entry web page via connection through the DHS proxy.

B. UHC WILL PROVIDE THE NECESSARY TRAINING FOR DHS EMPLOYEES TO EFFECTIVELY USE THE PSN:

1. UHC and DHS will jointly develop a training schedule at least thirty (30) calendar days before the 'Go Live' date for each site that is named in A2 (above), and Quality Improvement Program (QIP) Staff.
2. UHC will provide DHS with two trainers for seven (7) full days of training at no additional cost. A full day of training is defined as a minimum of six one and one half hour training sessions, between 7:00 AM and 5:00 PM each day, with a suggested maximum of twelve (12) participants per session.
 - UHC will provide role based supervisor/manager training demonstrating how to complete, review, and register an event notification on PSN, and the procedures to pull reports.

**STATEMENT OF WORK
UNIVERSITY HEALTHSYSTEMS CONSORTIUM
PATIENT SAFETY NET SERVICE
Page 2**

- UHC will instruct the designated NP staff how to create, change, and maintain passwords, how to update sites, demonstrate the procedures for pulling specific reports, and connecting with other PSN participants.
- 3. UHC will provide copies of all training materials including PDF files, access to web casts, and written materials at least thirty (30) calendar days prior to implementation at no additional cost.
- 4. UHC will provide a minimum of one thousand (1,000) Event Guide Booklets to DHS, and will jointly develop a plan with DHS to distribute the booklets to the NPs. UHC may charge for each additional booklet above this number. UHC will authorize the download and posting of this booklet as a PDF file.
- 5. UHC will provide additional training materials, if necessary, including Train the Trainer modules for the Front Line Reporters, at no additional cost.
- 6. UHC will provide additional staff training at the following rates:
 - Vice President and Senior Directors: \$375 per hour/\$3,000 per day plus travel expenses
 - Directors: \$225 per hour/\$1800 per day plus travel expenses.
- 7. UHC will conform to the LA County 2005 Travel Reimbursement Policy and annual revisions, when onsite visits to DHS NPs are required. The 2005 pricing is as follows:
 - Travel expenses by air carrier are estimated at approximately \$752 per trip, and includes ground transportation and portage.
 - Lodging allowance is a maximum of \$174 per day plus City Occupancy Tax rate of 14.04%, for a total of \$198.43 per day.
 - Meal allowance is a maximum of \$58 per full day.

C. UHC WILL WORK WITH DHS POST IMPLEMENTATION TO MAINTAIN THE FUNCTIONALITY OF PSN IN EACH NP:

1. The responsibility for supporting the PSN application and the hardware covered by this agreement rests exclusively with UHC. UHC will install all software updates to the PSN application as part of this agreement.
2. The UHC PSN Front Line Reporter (FLR) application will be accessible for data entry ninety-nine point five percent (99.5%) of DHS' working hours, twenty four (24) hours per day, seven (7) days per week. Administrative review access through the UHC Website will be accessible for data entry, data review, and report generation ninety-nine point five percent (99.5%) between the hours of 7:00 AM and 6:00 PM Central Standard Time (CST) and ninety-eight percent (98%) between 6:00 PM and 7:00 AM CST.
3. Upon completion of DHS user acceptance at each member, affiliate site, outpatient services, and programs including QIP, latency time of any data between UHC PSN server(s) and DHS server(s) shall be less than or equal to three (3) seconds for most processes. Measurement of this latency will not include data transfer time within DHS' network or latency on the external Internet which is out of UHC's control. Transfers of exceptionally large amounts of data, uploads, downloads and reports are exceptions.

STATEMENT OF WORK
UNIVERSITY HEALTHSYSTEMS CONSORTIUM
PATIENT SAFETY NET SERVICE
Page 3

4. UHC will communicate to the NP through the DHS identified PSN Facility Coordinators.
5. UHC will provide DHS with a complete database of all fields captured by UHC in an Access format or mutually agreed upon format at the end of every month.
6. UHC will provide DHS with a schedule for distributing the routine benchmarking reports.
7. UHC will alert DHS of any changes to the delivery schedule for routine reports, and within three (3) calendar days of the original due date, provide DHS with a revised timeline for delivering the routine reports.
8. UHC will provide customized reports, including alterations to an existing report, if requested by DHS, at a maximum programming rate of \$150 per hour. UHC will provide an estimated cost for creating a customization which DHS must approve prior to UHC beginning any programming work.
9. UHC will timely respond to the NP's questions regarding any legal concerns about PSN as it relates to Joint Commission for Accreditation of Healthcare Organizations (JCAHO), the State, and local government entities.
10. UHC will offer DHS NP users a monthly teleconference at no additional cost.
11. UHC will provide and maintain a support telephone line during the business day, 8:00 AM to 6:00 PM CST, available to each DHS PSN Facility Coordinator should they encounter problems with the web based PSN.
12. UHC will provide and maintain an email address and a message telephone number weekdays between 6:01 PM and 7:59 AM CST, and twenty-four (24) hours a day on weekends and holidays, available to each DHS PSN Facility Coordinator, should they encounter problems with the web based PSN.
13. UHC will notify each DHS Facility Coordinator by a telephone call and email when PSN is not accessible to the Front Line Reporter, and will be down for at least an hour or more.
14. UHC will provide a PSN support contact list and updated lists to the PSN Facility Coordinators and DHS Quality Improvement Program.

D. UHC WILL PROVIDE A MONITORING SYSTEM FOR THE PSN APPLICATION:

1. UHC shall create and update an automated problem log, which shall be viewable only to UHC Network personnel and reviewed daily for follow up on unresolved failures.
2. UHC will monitor disk space on which the PSN application resides, review application error logs, monitor application and database activities, tune servers to optimize performance of system hardware, and perform such other preventive maintenance necessary for the operation of PSN in accordance with operational specifications.

E. UHC WILL PROVIDE A SCHEDULED MAINTANENCE PLAN FOR THE PSN APPLICATION:

**UNIVERSITY HEALTHSYSTEMS CONSORTIUM
PATIENT SAFETY NET SERVICE**

Page 4

1. Throughout the term of the agreement, UHC shall provide Maintenance Services for the PSN application from UHC's business premises, twenty-four (24) hours per day seven (7) days per week. The PSN application will be available to DHS twenty-four hours per day, seven days per week (24X7).
2. UHC will monitor the servers and its basic services and will notify DHS of any system failures detected.
3. Non-critical problems will be resolved by UHC during regularly scheduled monthly maintenance periods. Updates to the PSN application software will normally be installed during regular maintenance times. These times are 7:00 PM until midnight CST that is, 5:00 PM until 10:00 PM Pacific Standard Time (PST).
4. DHS will receive three (3) business day's advance notification for routine maintenance that will exceed the regular scheduled time.

F. UHC WILL PROVIDE A PLAN FOR UNSCHEDULED MAINTENANCE:

1. Problems detected during regular UHC business hours resulting in the need for unscheduled maintenance will be corrected as soon as possible.
2. In case of any unscheduled maintenance, on-call personnel at UHC will be alerted via e-mails and pagers by monitoring tools within fifteen minutes of the system failure.
3. Unscheduled maintenance will be attended to immediately during business hours (8:00 AM to 6:00 PM CST) and within three (3) hours during non-business hours, including Holidays.
4. Unscheduled maintenance detected will be resolved and normal operation achieved within forty eight (48) hours under normal conditions.
5. UHC will notify all PSN participants by a phone call and email for any unscheduled downtimes in a reasonable manner. Additionally, UHC will provide updates in the manner appropriate for the circumstances.
6. In the event of a natural or other disaster, UHC has a plan for restoring services. The plan contains procedures to obtain the needed access rights in the event of an emergency. UHC tests the UHC Emergency Management Plan annually. This plan will be reviewed and updated on a yearly basis.
7. UHC will make all reasonable efforts to immediately restore PSN servers provided under this agreement. DHS will make its own continuity/resumption plans based on this information.

G. UHC WILL PROVIDE ALL APPLICATION AND DATA SERVERS TO SUPPORT THE PSN SOFTWARE APPLICATION:

1. UHC is responsible for replacing hardware components should a failure occur. Server hardware includes the operating system, system monitoring software and backup software.
2. UHC is responsible for all software installation and configuration, and any updates that may be available during the server's lifetime.
3. The servers will be physically located in the UHC computer room which is an environmentally controlled space or co-located off site at a professional, environmentally controlled power regulated computer co-location facility. Only authorized UHC staff is permitted in the computer room.

4. The server will be connected to a UPS power source.

H. UHC WILL PROVIDE APPLICATION AND DATA BACK-UP SUPPORT AND STORAGE:

1. Incremental back-up will be performed daily; full back-up will be performed weekly and the end of each month. Weekly and end of month back-up media will be stored off-site.
2. UHC will check the database log files on a weekly basis to verify backup data.
3. Every calendar quarter, UHC will tune and optimize the database, check log files, disk space availability and other similar tasks.

I. UHC WILL PROVIDE AND MAINTAIN A LEVEL OF SECURITY COMPLIANT WITH HIPAA REQUIREMENTS:

1. UHC warrants that the PSN application and its data products are fully compliant with HIPAA requirements. This compliance has been confirmed by third-party auditors and adherence is overseen continuously by the UHC Security Oversight Committee.
2. All data transmission between DHS and UHC using the PSN application will be performed over a secured network via SSL encryption protocol of at least 128 bit. Where applicable, UHC will use current versions of vendor operating systems with current anti-virus and other security components.
3. UHC will perform regular testing of intrusion detection and other reasonable testing to maintain the security of the data transmitted by DHS that resides on any UHC servers.
4. UHC will provide the necessary enhancements to remedy security problems in the PSN application (e.g., closing "back doors" or other intrusion-related problems), whether they are identified by UHC, DHS or a third party, and shall be provided within fourteen (14) calendar days of UHC's knowledge of the existence of such security problems.
5. The PSN application will utilize an industry standard role-based security application, such as Active Directory, in conjunction with the role-based internal security of the application. UHC will provide DHS with one contact within its organization and ensure that new reviewers and those with other roles assignments beyond those of the FLR are assigned a log-in and password within three (3) days of DHS' request for such assignment.
6. UHC will manage the distribution of PSN Logins and Passwords in a manner that complies with HIPAA requirements. At a minimum, each assigned password must contain eight characters, and change every ninety (90) calendar days.
7. UHC must provide, at least annually, a HIPAA compliant security training for all UHC employees.

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